

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

PART 1

SHORT TITLE, CONSTRUCTION, APPLICATION AND SUBJECT MATTER OF THE ACT

440.1101 Uniform commercial code; short title.

Sec. 1101. This act shall be known and may be cited as “uniform commercial code”.

History: 1962, Act 174, Eff. Jan. 1, 1964.

440.1102 Construction of act; purposes; variation by agreement.

Sec. 1102. (1) This act shall be liberally construed and applied to promote its underlying purposes and policies.

(2) Underlying purposes and policies of this act are

(a) to simplify, clarify and modernize the law governing commercial transactions;

(b) to permit the continued expansion of commercial practices through custom, usage and agreement of the parties;

(c) to make uniform the law among the various jurisdictions.

(3) The effect of provisions of this act may be varied by agreement, except as otherwise provided in this act and except that the obligations of good faith, diligence, reasonableness and care prescribed by this act may not be disclaimed by agreement but the parties may by agreement determine the standards by which the performance of such obligations is to be measured if such standards are not manifestly unreasonable.

(4) The presence in certain provisions of this act of the words “unless otherwise agreed” or words of similar import does not imply that the effect of other provisions may not be varied by agreement under subsection (3).

(5) In this act unless the context otherwise requires

(a) words in the singular number include the plural, and in the plural include the singular;

(b) words of the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender may refer to any gender.

History: 1962, Act 174, Eff. Jan. 1, 1964.

440.1103 Supplementary principles of law applicable.

Sec. 1103. Unless displaced by the particular provisions of this act, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause shall supplement its provisions.

History: 1962, Act 174, Eff. Jan. 1, 1964.

440.1104 Construction of act as to implied repeal by subsequent legislation.

Sec. 1104. This act being a general act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

History: 1962, Act 174, Eff. Jan. 1, 1964.

440.1105 Agreement as to law governing rights and duties of parties; act applicable to transactions upon failure to agree; effect of contrary agreement where act specifies applicable law.

Sec. 1105. (1) Except as provided in this section, if a transaction bears a reasonable relation to this state and also to another state or nation the parties may agree that the law either of this state or of the other state or nation shall govern their rights and duties. Failing agreement this act applies to transactions bearing an appropriate relation to this state.

(2) If 1 of the following provisions of this act specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) specified:

Rights of creditors against sold
goods.

Section 2402.

Applicability of the article on
leases.

Sections 2A105 and 2A106.

Applicability of the article on

bank deposits and collections.	Section 4102.
Governing law in the article on	
funds transfers.	Section 4A507.
Letters of credit.	Section 5116.
Applicability of the article on	
investment securities.	Section 8110.
Law governing perfection, the	
effect of perfection or nonper-	
fection, and the priority of	
security interests and agricul-	
tural liens.	Sections 9301 through 9307.

History: 1962, Act 174, Eff. Jan. 1, 1964;—Am. 1978, Act 369, Eff. Jan. 1, 1979;—Am. 1992, Act 100, Imd. Eff. June 25, 1992;—Am. 1992, Act 101, Eff. Sept. 30, 1992;—Am. 1998, Act 278, Imd. Eff. July 27, 1998;—Am. 1998, Act 488, Imd. Eff. Jan. 4, 1999;—Am. 1998, Act 489, Imd. Eff. Jan. 4, 1999;—Am. 2000, Act 348, Eff. July 1, 2001.

440.1106 Liberal administration of remedies; enforcement.

Sec. 1106. (1) The remedies provided by this act shall be liberally administered to the end that the aggrieved party may be put in as good a position as if the other party had fully performed but neither consequential or special nor penal damages may be had except as specifically provided in this act or by other rule of law.

(2) Any right or obligation declared by this act is enforceable by action unless the provision declaring it specifies a different and limited effect.

History: 1962, Act 174, Eff. Jan. 1, 1964.

440.1107 Discharge of claim or right after breach; consideration.

Sec. 1107. Any claim or right arising out of an alleged breach can be discharged in whole or in part without consideration by a written waiver or renunciation signed and delivered by the aggrieved party.

History: 1962, Act 174, Eff. Jan. 1, 1964.